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NO. 0132G GOVERNMENT BOND, N.Y., 100RS. (898) 807-7400

AMERICAN HEART ASSOCIATION

44 East 23rd Street
New York, N.Y.

History & Structure

The American Heart Association was incorporated in New York State in 1924 as a professional society of physicians and scientists. The Association was reorganized in 1948 to become a national voluntary health organization.

The A.H.A. now has 55 direct affiliates with 139 chapters and 1000 local subdivisions throughout the U.S. and Puerto Rico.

The board of directors totals 120 members representing a total membership of about 72,000 doctors and laymen.

The National Headquarters has a full-time staff of 129 clerical and 102 professionals.

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Purpose

The A.H.A. recently described itself as "devoted to the reduction of premature death and disability caused by the many forms of heart and blood vessel diseases - primarily heart attacks, strokes, high blood pressure, rheumatic fever and rheumatic heart disease, and inborn heart defects."

Fund Raising

Under the present policy of the Association adopted in 1955, affiliates and chapters of the A.H.A. are not permitted to join in federated fund-raising campaigns. Those chapters participating in such campaigns prior to 1955 have been encouraged to withdraw.

The A.H.A. conducts a national campaign in February - the "Heart Fund." A Congressional resolution adopted in 1964 has proclaimed February each year as "Heart Month." Contributions are tax deductible. The main sources of Incomes & Revenues for the A.H.A. are as follows (combined for National and Local Chapters). (The comparisons from year to year are made difficult because of accounting changes).

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<u>Support/Revenues (000's)</u>	(Fiscal Year Ending June 30th)		
	<u>1967</u>	<u>1968</u>	<u>1969</u>
Received Directly:			
Contributions	N/A	\$26,772	\$28,010
Special Events	N/A	911	922
Bequests & Endowments	\$6,024	6,649	8,481
Total Received Directly	\$ N/A	\$34,332	\$37,413
Received Indirectly:			
Federal Service, etc.	N/A	1,191	1,318
Federated Campaigns	N/A	2,259	2,263
Total Received Indirectly	N/A	\$ 3,450	\$ 3,581
Total Public Support:			
Investment Income	1,771	1,968	2,448
Other	595	404	1,355
Total Support	\$38,294	\$40,144	\$44,797

A.H.A.

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<u>Support/Revenues as a %</u>	(Fiscal Year Ending June 30th)		
	<u>1967</u>	<u>1968</u>	<u>1969</u>
Contributions	N/A	64%	62%
Bequests & Endowments	16%	17%	19%
Indirect Support	N/A	9%	8%
Investment Income	5%	5%	6%
Other	N/A	5%	5%
Total Support	<u>100%</u>	<u>100%</u>	<u>100%</u>

From the information available, the A.H.A. and the A.C.S. have a very similar percentage breakdown of their total support and revenues.

	<u>For Fiscal 1969</u>	
	<u>A.C.S.</u>	<u>A.H.A.</u>
Contributions	63%	62%
Bequests	21%	19%
Investment Income	6%	6%
All Others	10%	13%
Total	<u>100%</u>	<u>100%</u>

For the A.H.A. approximately 75% of the total support from the public is retained at local levels with the remaining 25% going to the National Association Office. The national office has a stated policy of "earmarking not less than 50% of all funds received for research purposes."

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Expenditures

The A.H.A. on a combined basis had the following expenditures during the past three years:

(000's)	<u>1967</u>	<u>1968</u>	<u>1969</u>
Research	\$11,954	\$13,244	\$13,647
Public Health Education	2,917	4,131	4,846
Professional Education	3,509	4,319	5,165
Community Services	3,735	4,522	4,857
Total Program Services	\$22,115	\$26,216	\$28,514
Fund Raising	5,257	5,994	6,223
Mgt. & General	6,980*	5,183	5,463
Total Supporting Programs	\$12,237	\$11,177	\$11,686
Total Expenditures *	\$34,352	\$37,393	\$40,201
Excess Revenues Over Expenditures	\$ 3,942	\$ 2,751	\$ 4,596

* The above expenditures do not include expenditures for "major property and equipment acquisitions" of \$1,971,136 in 1968 or \$517,416 in 1969. In light of the A.H.A.'s sizeable accumulation of assets over the years, property acquisitions should not be considered as part of the normal expenditure program of the Association. Therefore, from an analysis point of view, these have been eliminated.

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<u>Expenditures as %</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Research	34.8%	35.6%	34.0%
Public Health Education	8.5	11.0	12.0
Professional Education	10.2	11.5	12.8
Community Services	10.9	12.0	12.1
Total Program Services	74.4%	70.1%	70.9%
Fund Raising	15.3	16.0	15.5
Mgt. & General	10.3	13.9	13.6
Total Supporting Programs	25.6%	29.9%	29.1%
Total Expenditures	100.0%	100.0%	100.0%
Excess Revenues over Expenditures	11.5%	7.5%	11.4%

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A comparison with the expenditures breakdown of the A.C.S. indicates that A.H.A. had significantly higher "supporting services" expenditures in each year and lower "public education" expenditures.

Expenditures - Fiscal 1969

	<u>A.H.A.</u>	<u>A.C.S.</u>
Research	34.0%	35.0%
Public Education	12.0	17.0
Professional Education	12.8	10.0
Patient Services	--	12.0
Community Services	<u>12.1</u>	6.0
Program Services	<u>70.9%</u>	<u>80.0%</u>
Fund Raising	<u>15.5%</u>	<u>11.0%</u>
Management & General	<u>13.6</u>	9.0
Support Services	<u>29.1%</u>	<u>20.0%</u>
Total Expenditures	<u>100.0%</u>	<u>100.0%</u>

Examining the 1969 expenditures of the A.H.A. in more detail on a functional basis the following is seen.

A. H.A. Expenditures 1969

Awards & Grants (Research Grants \$12,833,126)	\$14,618,516
Salaries, Benefits, Payroll Taxes	\$15,173,148
General Office Expenses (incl. rent \$1,353,490 but excl. salaries)	\$ 4,039,390
Printing & Visual Aids	\$ 2,534,179
Travel & Meetings	\$ 2,885,815
All Others	<u>\$ 949,554</u>
	\$40,200,602

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The above analysis indicates that for 1969 total salaries were approximately 15.5% larger than total Research Grants and awards. The national headquarters office had a total payroll cost of \$2,335,503 for 1969 with an average cost per employee of \$10,050 per year - on a par with the A.C.S. payroll costs/employee.

Since 75% of all contributions are retained at the local levels, an examination of the spending by the New York Heart Association - one of the largest chapters - indicates the following breakdown.

N.Y. Heart Association-Fiscal 1969

Total Support/Revenues	\$ 2,397,809	
Portion Allocated to Nat'l. Hda.	518,055	
Retained at N.Y. Heart Asso.	\$1,879,754	
<u>Expenditures</u>		
Research	\$ 747,798	48%
Public Education	95,813	6
Professional Education	124,072	8
Community Service	65,619	4
Total Program Services	\$1,033,302	66%
Fund Raising	284,904	* 18
Mgt. & General	252,875	16
Total Supporting Services	537,779	34
Total Expenditures	\$1,571,081	100%
Excess Revenues over Expenditures	\$ 308,673	20%

*Based on total public support received of \$2,207,221 fund raising costs represented 13% of this total.

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The large percentage of spending allocated to Research is much higher than the National A.H.A.'s 34% spending. However the total research budget could have been 40% greater if all the excess revenues were spent on research rather than retained.

Research

In 1968, over 1,000,000 people in the U.S.A. died of diseases related to the cardiovascular and circulatory system accounting for more than half (53%) of all deaths in that year. According to an estimate by the President's Commission on Heart Disease, about "14.6 million people suffer from definite heart disease." It is by far the leading cause of death and most prevalent disease in the country.

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The U.S. Government, through the National Heart and Lung Institute is the leading source of funds for heart disease research. During the past 19 years (1951-1970) the National Heart Institute supplied research funds totalling \$1,686,000,000. The A.H.A. during the past 22 years (1948-1970) spent \$164,000,000 on research or 8.9% of the combined total.

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The A.H.A. research programs include grants to:

14 Career Investigators
103 Established investigators (5 year grants)
7 Advanced Research Fellows
5 Foreign Visiting Scientists
5 British-American Exchange Fellows
12 Special Fellows
253 Grants-in-Aid

Grants have included research into heart transplants, heartbeat regulators, artificial heart valves, study of drugs, etc.

Staff

The board of directors composed of 120 members met twice in fiscal 1969 for two-day meetings with 90 and 96 members attending respectively. The Executive Committee consisting of 30 members also met twice with 24 members attending.

The national headquarters has a full-time professional staff of 102 people. The National Headquarters has a full-time professional staff of 102 people. Listed below are the more important members.

Lowell F. Johnson - Chairman of the Board
W. Procter Harvey, M.D. - President
James M. Hundley, M.D. - Executive Director
Campbell Moses, M.D. - Medical Director
H. Willis Nichols - Treasurer

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AMERICAN HEART ASSOCIATION

Lowell F. Johnson - Chairman of the Board
REDACTED

Born: _____
B.S. N.J. State University 1934
Ed. M. Rutgers University 1938
N.Y.U. postgrad.

Member of the faculty Rutgers U. 1941-45; with Am. Home Products Corp., N.Y.C. 1945; mem. operations com. 1957-present, v.p. industrial relations 1959-61, v.p. 1961 to present: v.p. dir. Citizen's Realty Co; dir. Bankers Nat. Ins. Co., Plainfield Trust Nat. Bank, North Plainfield Savings & Loan, LOR, Inc. spec. lectr. Rutgers U., Columbia, N.Y.U., George Washington U., U. Md. Mgmt. team U.S. State Department Mission to Guatemala. Past mem. N.J. Commn of Indstl. Health Member of board of govs. Muhlenberg Hosp; chmn. bd., chmn exec. comm., member international com. of American Heart Assn. Member: Commerce and Industry Association, U. S. Chamber of Commerce, Soc. Advancement Mgmt., American Arbitration Assn. (national Labor panel), American Management Assn., National Industrial Conference Board, N.Y. Industrial Relations Assn, (past pres). Lives: North Plainfield, N.J. Office: NYC.

James M. Hundley, M.D., Executive Director

REDACTED

Born: _____
B.S. Indiana University 1937
M.D. Indiana University 1940 (McLanen research fellow)

Intern Marine Hosp. NYC 1940-41; officer United States Public Health Service 1941-66; district health officer Indiana Bd. of Health 1941-42; bubonic plague control, San Francisco, Tacoma and Western states 1942-43; nutrition research Nat. Inst. Health 1944, medical officer U.S. Coast Guard 1944-45; with National Institute of Health, 1945-56, member of numerous advisory committees of the National Research Council, nutrition advisor to UNICEF, 1956-58; special assistant international affairs of National Inst. Health 1958-59; assistant Surgeon General, United States Public Health Service 1960-66; executive director Institute of Medical Sciences, Presbyterian Medical Center, San Francisco 1966-68; executive director A.H.A. since 1968. Fellow, American Public Health Association; member A.M.A., Am. Dietetic Assn., Am. Inst. Nutrition, contributes article to professional journals. Lives: Stamford, Conn. Office NY Headquarters of A.H.A.

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